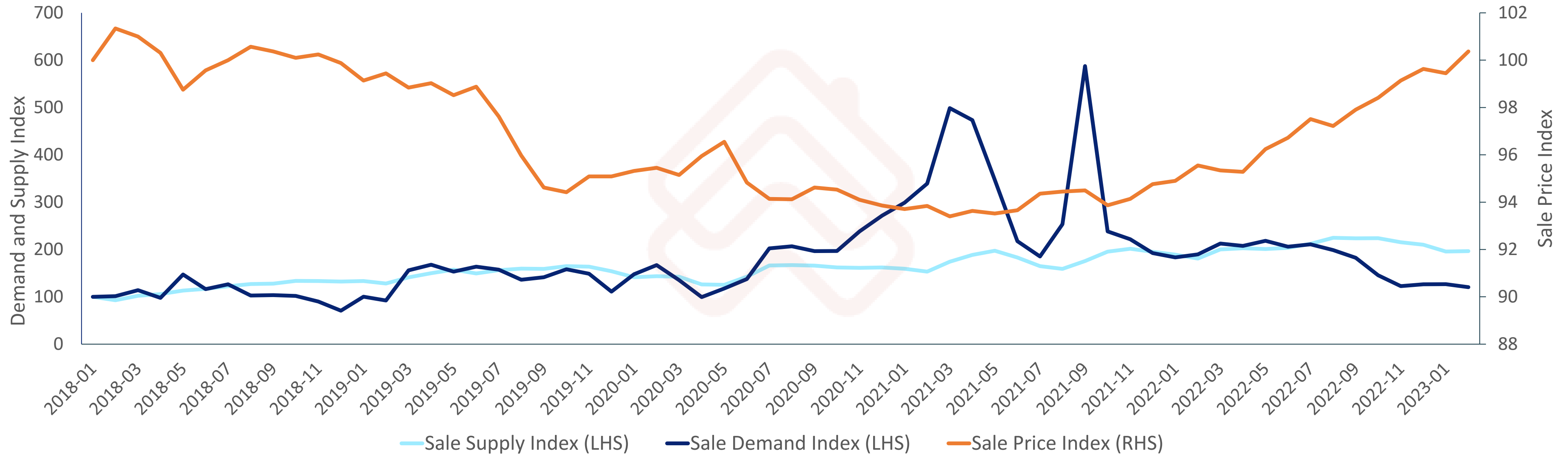


Housing in Malaysia: The Location and Pricing Supply & Demand Gap

Dr. Lee Nai Jia
Head of Real Estate
Intelligence,
PropertyGuru Group



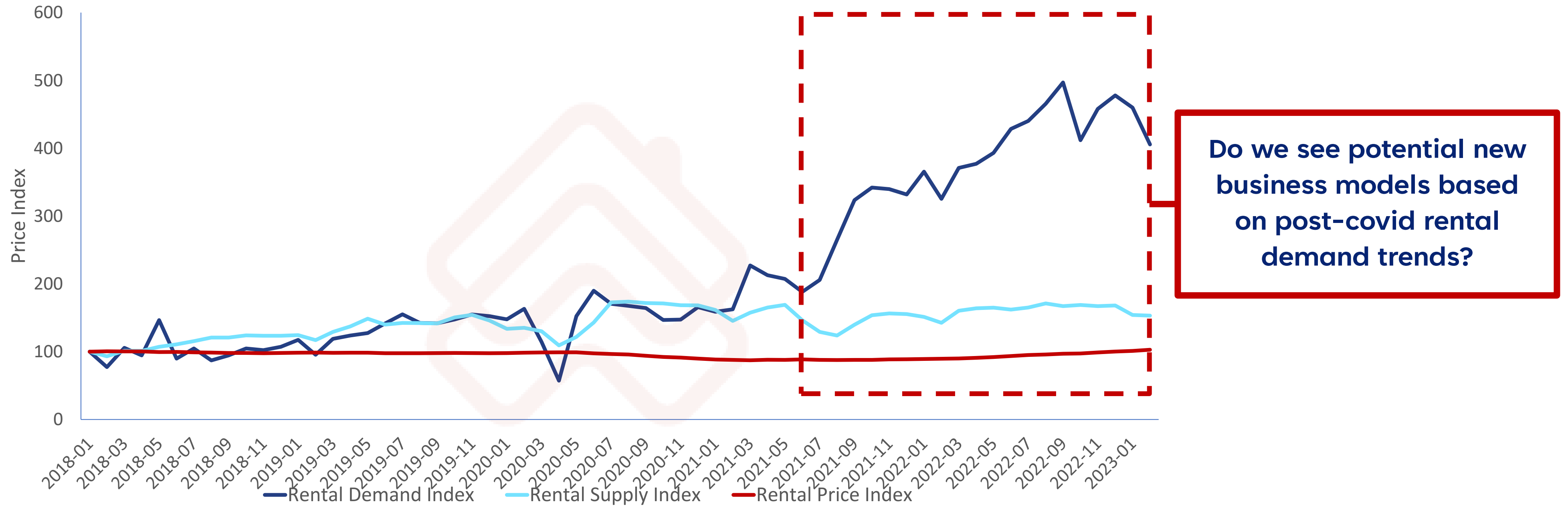
2022-2023: Demand and Price Conundrum



Source: DataSense by PropertyGuru For Business

The Sale Price Index, which measures the median prices of the listings, has been on a rising trend, albeit with minor corrections in some months. Demand-based on the number of enquiries on the PropertyGuru Website has eased steadily since the middle of 2022, likely due to interest rates. The demand has rebounded to a steady equilibrium after the election.

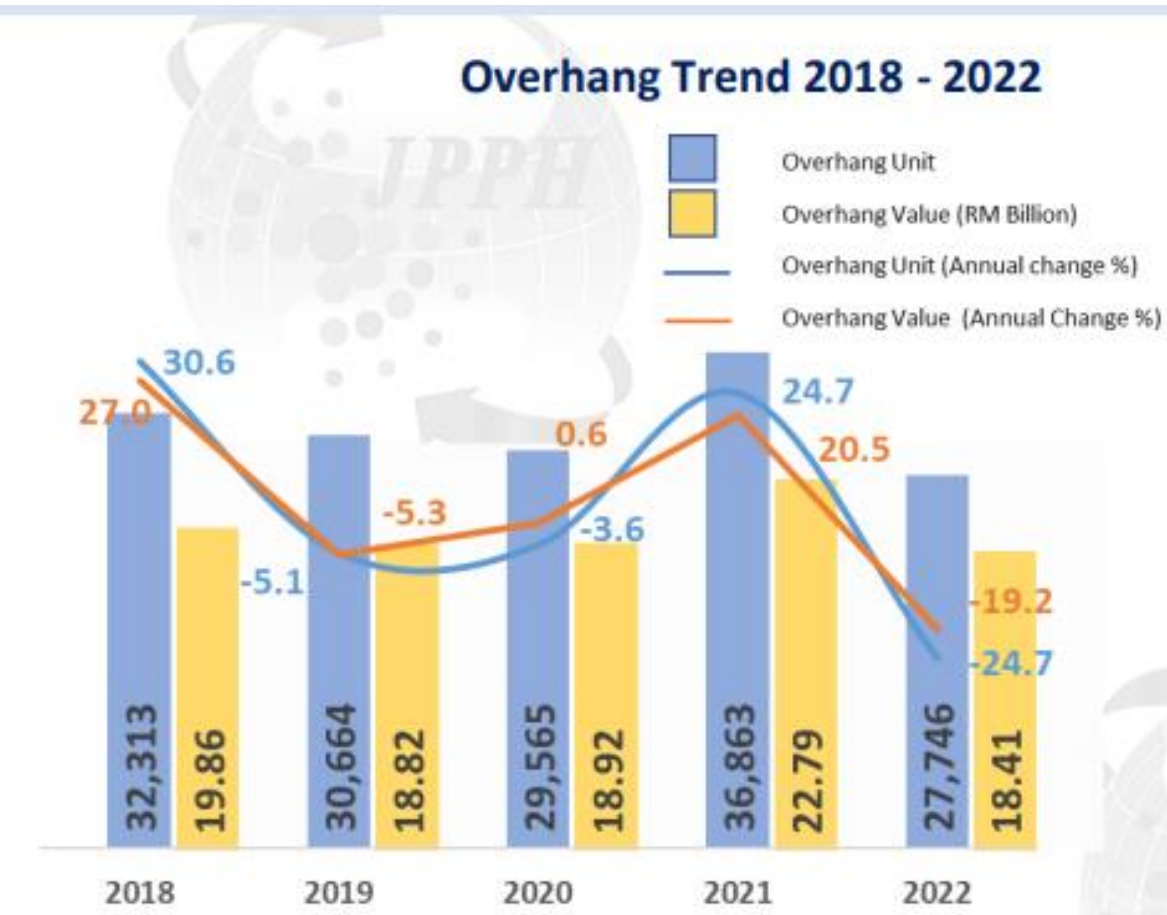
Rental Market Conundrum: Latent Demand for Homes is Strong but Out of Reach



Source: DataSense by PropertyGuru For Business

The rental market has increased significantly since the end of 4Q 2021. The rental demand only showed signs of easing in 4Q 2022, but the decline is likely due to travelling. That said, the level remains at a much higher level.

Conundrum: Affordability, Overhang and Higher Construction Costs

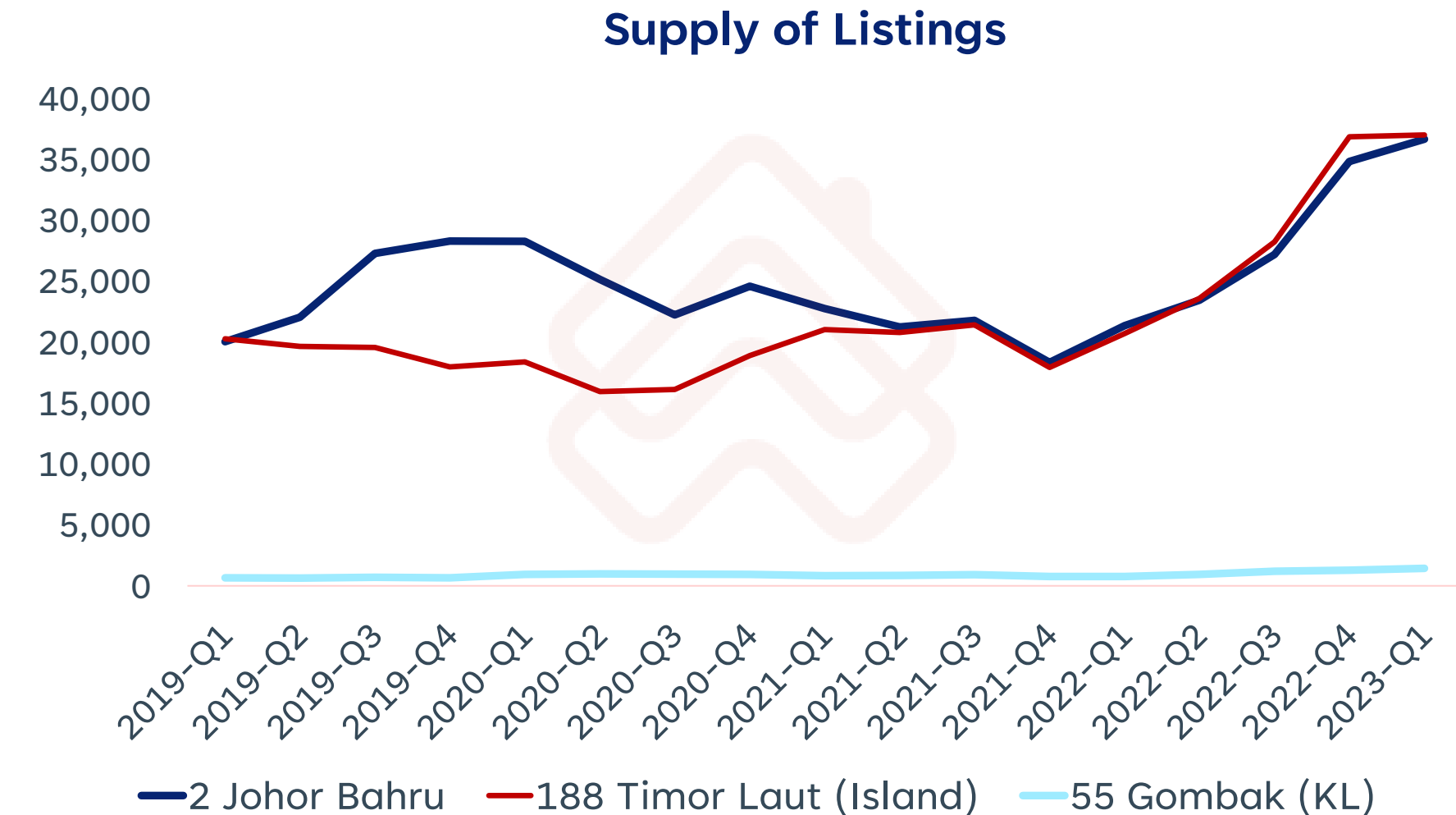
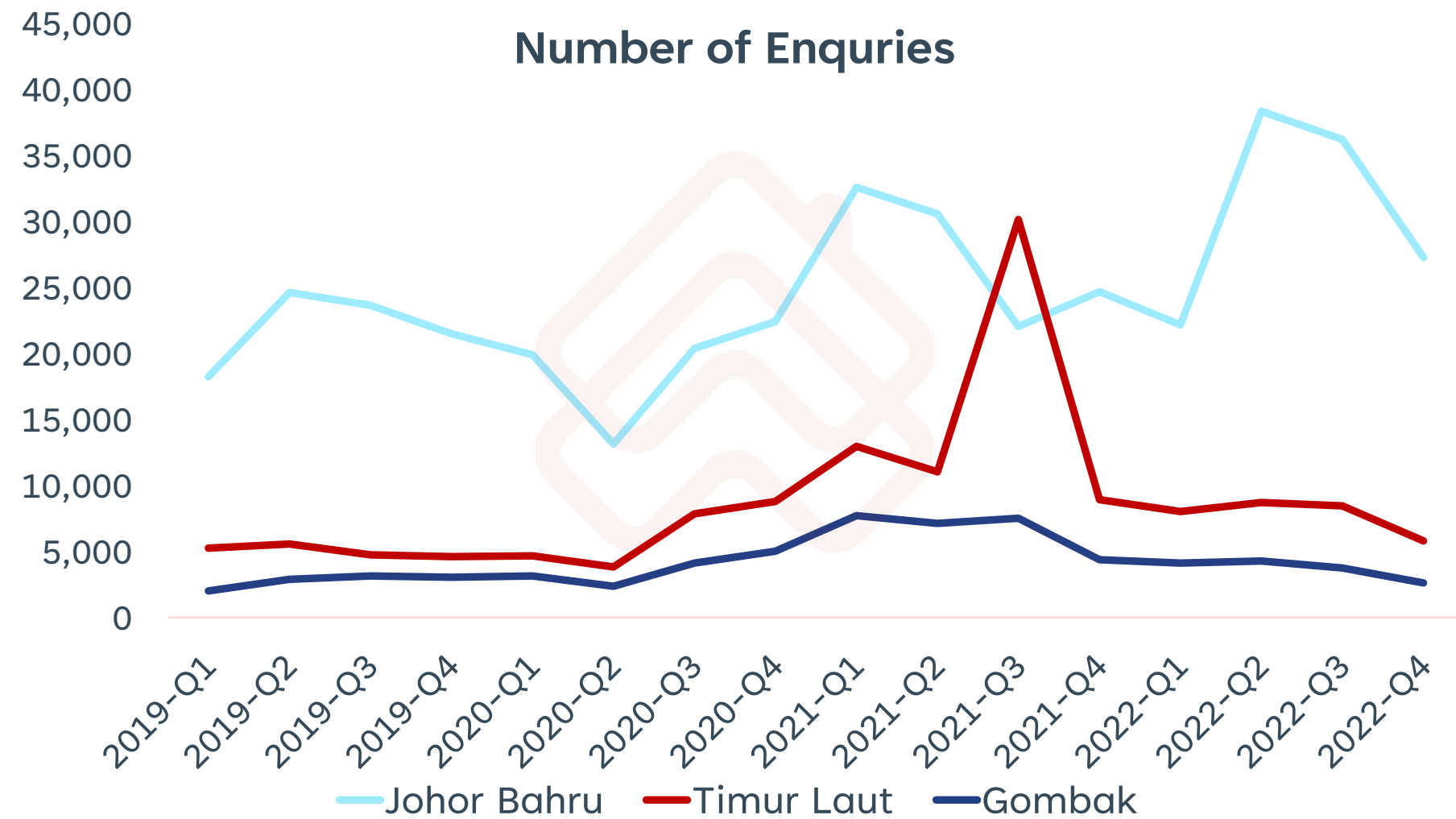


Source: NAPIC Q3 2022

State	Overhang (Number of Units)	Number of Marriages in 2022	Population Growth YoY 2022 (Estimated)	Population (Million)
Johor	5,348	22,256	0.1%	4.00
Pulau Pinang	5,222	9,348	-0.1%	1.70
Selangor	4,386	42,109	0.3%	7.00
W.P. Kuala Lumpur	3,362	11,435	-1.0%	1.90
Sabah	2,645	15,874	-0.6%	3.40
Perak	2,400	17,508	0.2%	2.50
Pahang	1,197	10,755	0.7%	1.60
Sarawak	1,176	14,365	0.2%	2.50
Kedah	1,133	15,940	0.9%	2.20
Negeri Sembilan	945	9,351	0.4%	1.20
Melaka	597	7,271	0.3%	1.00
Terengganu	527	10,846	1.4%	1.20
Kelantan	442	22,347	0.9%	1.80
Putrajaya	71	676	4.3%	0.10
Labuan	48	757	0.9%	0.10
Perlis	35	2,105	0.8%	0.30

Source: NAPIC Q3 2022, DataSense by PropertyGuru For Business

Demand Lead Supply?

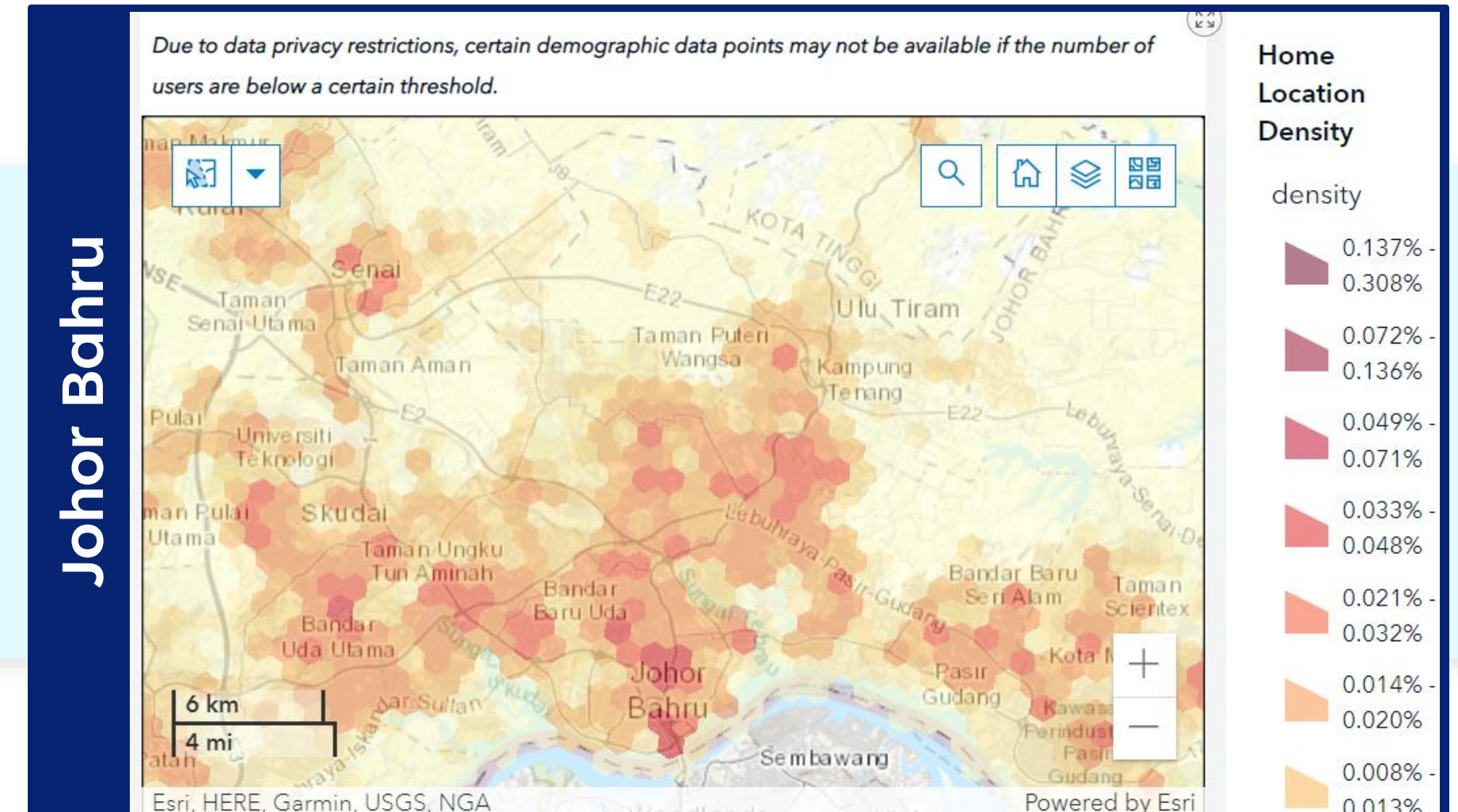
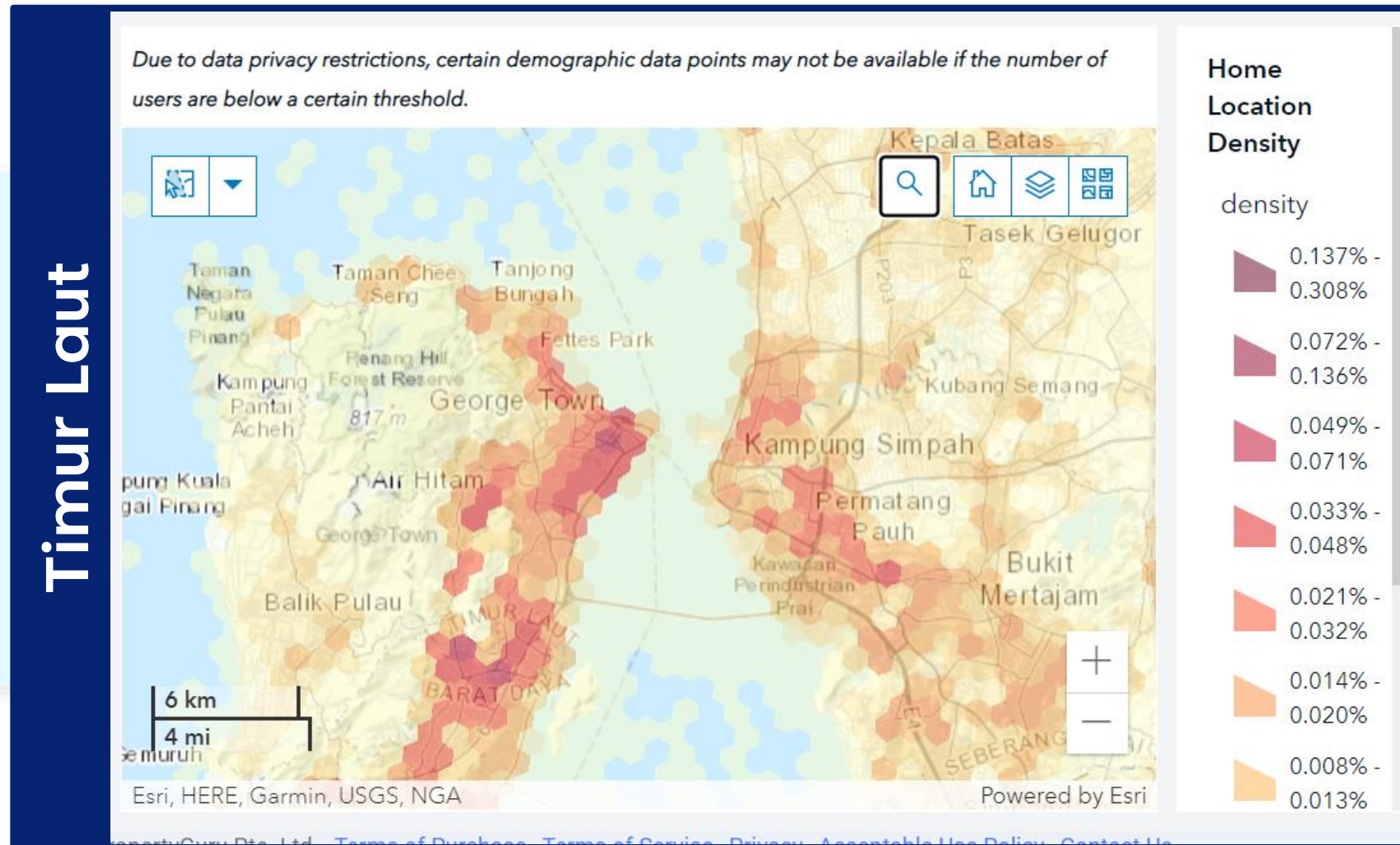


Source: DataSense by PropertyGuru For Business

Top 2 Districts with Highest Overhang in Johor and Pulau Pinang has strong potential demand:

- » Johor Bahru: 4139 units
- » Timur Laut: 1,576 units

Affordable Housing and Expectations



Source: DataSense by PropertyGuru For Business

- » The areas with high listings tend to be dense, with about 50-60% professionals and about 40-50% affluent individuals
- » These areas often have high potential and have ambitious development plans

Requires data and partnership to resolve the conundrum

- » Public-Private Partnership: Let the private sector develop the township and infrastructure
- » Economies of Scale
- » Public Transport and Control of Car Population
- » Maintain the Quality of Housing: Public or Private
- » Managing the risks of climate change:
Subsidising the costs of green initiatives
- » Inclusivity: Mixing of different income groups



Discover More About DataSense

Thank You

Dr Lee Nai Jia

Email: naijialee@propertyguru.com.sg

 www.propertyguruforbusiness.com

 hello@propertyguruforbusiness.com

